(b) what is the extent to which the existing foreign exchange position has been made up due to borrowings;

(c) what is the extent to which the foreign exchange reserve is likely to dwindle due to higher lending rate, expensive debt service, imports, and the partial convertibility of rupee; and

(d) what is the basis on which the foreign exchange reserve position is considered to be sound both for short term and long term?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The foreign exchange reserve position (excluding Gold and SDRs) as on 23rd July, 1992 was Rs. 17,488.25 crores (dollar 6739.39 million).

(b) The position of reserves at a particular time is the net result of all the transactions in the external sector. I is, therefore not possible to determine the exent to which the existing foreign exchange position has been made up due to borrowings.

(c) The foreign exchange reserves have held up extremely well in the past few months, not with standing the factors mentioned by the Hon'ble Member. Government do not expect the reserves to decline significantly in the coming months.

(d) Conventionally, the safe amount of foreign exchange reserves that should be maintained by a country is taken to be the equivalent of the value of imports for three months.

Amalgamation of Rural Banks with Subsidiary of NABARD

2008. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to amalgamate the existing Rural Banks with the formation of a unified Central Structure which would be the subsidiary of NABARD;

(b) if so, whether the functioing of the rural banks will improve as a result of amalgamation; and

(c) if so, to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) The restructuring of Regional Rural Banks has been under consideration of Government, Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD). Varaious alternative models, including the proposal for establishment of a National Rural Bank of India either as a subsidiary of NABARD or as a separte legal entity are being worked out and effectiveness of each model is being examined from all angles. No final decision has so far been taken in this regard.

Discontinuing of Overdraft Facility to States

2009. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Government has discontinued the facility of overdraft to certain States;

(b) if so, which are the States affected as a result thereof;

(c) what are the reasons for discontinuance of such facility;

(d) whether Government propose to chalk out a special plan to improve the financial position of the affected States;

(e) if so, what are the details thereof; and

(f) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) to (c) Under the Overdraft Regulation Scheme, currently in force, no State Government is allowed to incur an overdraft with hte Reserve Bank of India for more than seven consecutive working days. In case the overdraft appears in the State Government's account beyond seven consecutive working days, the Reserve Bank stops payments on behalf of the State Governments till the overdraft is cleared. The question of withdrawal of overdraft facility, therefore, does not arise. However, during June, 1992, payments on behalf of Governments of Himachal Pradesh, Kerala, West Bengal Assam and Tripura were suspended as their overdrafts persisted beyond seven consecutive working days. The payments were, subsequently, resumed on clearance of their overdrafts.

(d) It is primarily the responsiblity of the State Governments to keep their expenditure within the framework of receipts so that they do not run into overdraft in their accounts with the Reserve Bank of India.

(e) and (f) Question does not arise.

Insurance Claims in Kashmir

2010. SHRI SHABBIR AHMED SALARIA: Will the Minister of FINANCE be pleased to state:

(a) what is the number of insurance claims from Kashmir Province of J & K against damaged/destruction/ loss of immoveable and moveable properties, lodged in 1988, 1989, 1990, 1991 and 1992 with the State Controlled Insurance Companies;

(b) what is the number of claims that have been settled by making payment which had been accepted by insurers, starting the amount that was claimed and actually paid;

(c) what are the details of cases where insurance claims are still pending; and

(d) what is the number of immoveable properties that have been insured in 1988, 1989, 1990, 1991 and 1992 against the number of requests?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (d) The requisite information is as follows:—

	1988-89 (15 months)	1989-90	1990-91	1991-92
No. of Claims	5497	4786	6265	515
No. of Claims settled	3214	2798	3663	3055
Amount paid in lakhs of Rupees	643	534	642	833
No. of Properties insured	21162	29799	26978	29892

Number of cases where insurance claims are still pending:—

Name of the Insurance Co.	No. of Claims Pending
Oriental Ins. Co.	2
New India Ass. Co.	3
United India Ins. Co.	2
National Ins. Co.	Nil